Nova Scotia Department of Consumer Affairs

Annual Report
for the year ended March 31, 1983

Contents

Letters of Transmittal 5

Organizational Chart 9

Acts Administered by the Department 11

General Summary 13

Administration 14

Amusements Regulation Division 14

Consumer Services Division 19

Credit Union Division 22

Rent Review Division 27

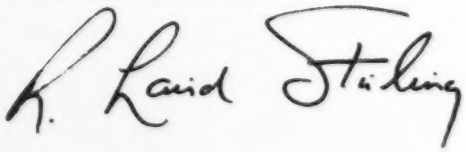
Residential Tenancies Division 30

The Honourable Alan R. Abraham, C.D.
Lieutenant Governor
Province of Nova Scotia

May it Please Your Honour:

I have the honour to present to you the Annual Report of the Department of Consumer Affairs for the fiscal year ended March 31, 1983.

Respectfully submitted



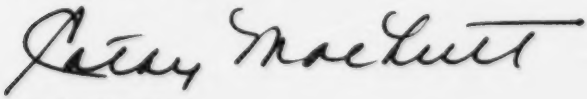
R. Laird Stirling

The Honourable R. Laird Stirling
Minister of Consumer Affairs
Province of Nova Scotia
Halifax, Nova Scotia

Sir:

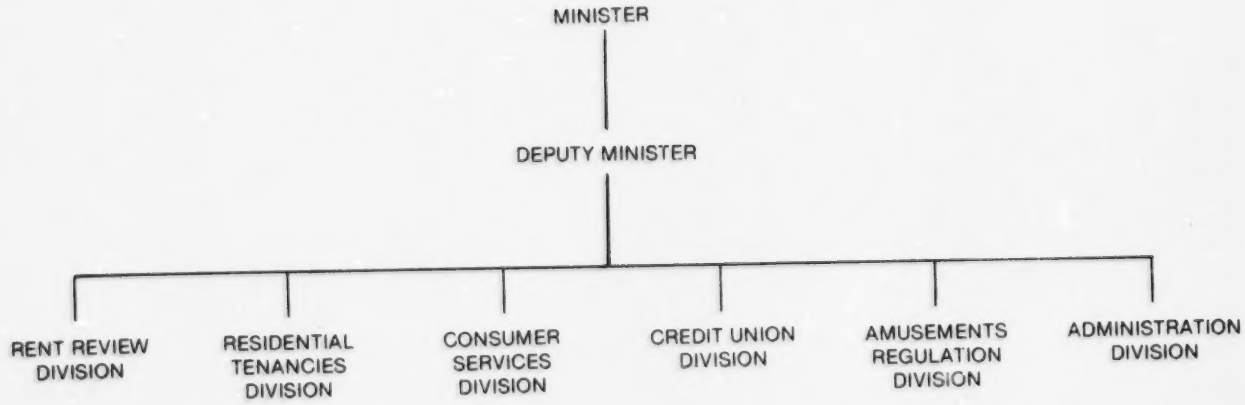
I take pleasure in presenting to you a report of the activities of the Department of Consumer Affairs for the year ending March 31, 1983.

Respectfully submitted

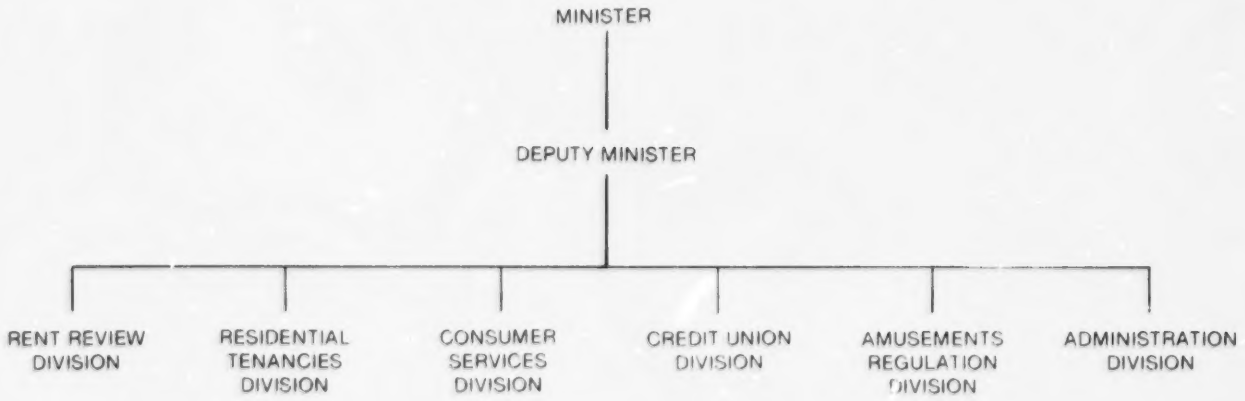


Cathy MacNutt

NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS



NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS



ACTS ADMINISTERED BY THE DEPARTMENT OF CONSUMER AFFAIRS

- The Collection Agencies Act
- The Condominium Act
- The Consumer Creditors Conduct Act
- The Consumer Protection Act
- The Consumer Reporting Act
- The Consumer Services Act
- The Credit Union Act
- The Direct Sellers' Licensing and Regulation Act
- The Embalmers and Funeral Directors Act
- The Instalment Payment Contracts Act
- The Loan Companies Inspection Act
- The Mortgage Brokers and Lenders Registration Act
- Part X of the Bankruptcy Act (Federal)
- The Prearranged Funeral Services Act
- The Public Accountants Act
- The Real Estate Brokers' Licensing Act
- The Rent Review Act
- The Rental Property Conversion Act
- The Residential Tenancies Act
- The Tax Rebate Discounting Act (Federal)
- The Theatres and Amusements Act
- The Unconscionable Transactions Relief Act

General Summary

A substantial increase in the number of requests for information and assistance, in addition to the necessity to keep pace with changes in the marketplace as they applied to businesses and individuals, brought another year of increased activity in the Department of Consumer Affairs.

Although it administers 20 provincial and two federal statutes, the Department endeavours to promote the objectives of those pieces of legislation in a cooperative atmosphere so that the requirements of the marketplace may be met in a most effective way.

The Department is organized into six divisions, each with their own responsibilities in the areas of Administration, Amusements Regulation, Consumer Services, Credit Union activities, Rent Review and landlord-tenant regulations through Residential Tenancies.

Expressed in statistical terms, the Department received more than 140,000 phone calls and received more than 20,000 visitors at its main office in Halifax and its regional offices across the province. Those figures do not include a heavy volume of correspondence, particularly in the areas of consumer services, tenancies and rent review administration and decisions.

During the fiscal year, the Department's rent review process was being examined by the Commision of Inquiry on Rents; a substantive study was carried out in cooperation with the Board of Registration of Embalmers and Funeral Directors with respect to matters such as pre-arranged funerals and the operation of cemeteries; and steps were taken to ensure the Department's and the government's awareness of changes in entertainment patterns, specifically in the areas of pay television and the video cassette industry.

Other major activities will be indicated in the divisional summaries listed on the pages which follow.

Administration

At the centre of the department is the Administration Division which prepares and controls budgets, establishes economical utilization of staff, space and equipment, serves as liaison with other government departments such as Government Services and the Civil Service Commision, and provides a research and communications resource to its fellow divisions as well as to other departments and the public.

Amusements Regulation Division

In the fiscal year 1982-1983, there was a slight decline in the number of licensed film exchanges and fewer film certificates were issued. This reflects a changing pattern in production and distribution policies within the film industry.

There were fewer applications for itinerant licenses and licenses issued to outdoor festivals.

There was an overall increase in attendance at entertainment and recreational events of 80,000 persons. There was a drop in attendance at wrestling, boxing, professional sporting events and race tracks. There was a slight increase in theatre attendance, up to 3,107,430.

The apparent decline in some traditional areas of amusement can be misleading since amusement tax on records of attendance at amateur hockey or ice skating events is no longer collected. Organizations also may apply for amusement tax exemption at other events where a charitable cause is involved.

In September, 1982, Nova Scotia hosted the Canadian Bi-Annual Conference on Film Classification. Six provinces attended the week-long conference; in addition to Nova Scotia, they were New Brunswick, Quebec, Ontario, Manitoba and Alberta.

Revenue by Type
Fiscal years 1981/82 and 1982/83

Type	1981/82	1982/83
Licenses	$ 25,089	$ 44,435
Screening Fees	27,553	51,475
Amusement Tax (Theatre)	998,576	1,187,521
Amusement Tax (Non-Theatre)	352,664	493,577
Amusement Tax (Touring Groups)	283,181	270,548
Share of pari-mutuel Tax	464,510	511,279
TOTAL	$2,151,573	$2,558,835

Number of Films Screened
By Type of Classification

35 MM Films	1981/82	1982/83
General	35	27
Adult	106	87
Restricted	108	101
Rejected	7	1
TOTAL	256	216

16 MM Films	1981/82	1982/83
General	2	5
Adult	17	5
Restricted	10	5
Rejected	0	0
TOTAL	29	15

Video Films	1982/83
General	12
Adult	1
Restricted	4
Rejected	0
TOTAL	17

Origin of Films Classified
April 1, 1982 to March 31, 1983

Country	1981/82	1982/83
United States	173	134
Great Britain	17	16
Canada	15	7
France	5	5
Italy	5	2
West Germany	5	8
Japan	5	5
Russia	4	1
Greece	3	1
Austria	2	0
Taiwan	1	1
Other	21	36
TOTAL	256	216

Number of Licenses Issued 1981/82 to 1982/83

	1981/82	1982/83
Films and Theatres		
Theatres	66	67
Projectionists	134	142
Apprentice Projectionists	41	39
Projection Machines	123	126
Film Exchanges (35MM)	17	13
Film Exchanges	10	7
Film Certificates	1,017	901
Other Licenses Issued		
Itinerant	8	4
Rinks	63	58
Race Tracks (Horse)	4	4
Race Tracks (Stock Car)	3	4
Dance Halls	304	315
Billiards, Pool & Bowling (Loc.)	84	86
Pool Tables	298	232
Bowling Lanes	432	444
Miniature Golf	4	4
Go-Cart Tracks	10	9
Museums	5	3
Carnival Rides	69	70
Circuses	1	—
Festivals (Outdoor)	14	6
TOTALS	2,707	2,534

Attendance
By Type of Event

	1981/82	1982/83
Theatres (movie and live)	3,065,497	3,107,430
Itinerant Shows	1,024,650	869,379
Amateur Hockey and Ice Skating*	680,826	—
Lounges, Beverage Rooms and Cabarets	—	908,746
Boxing, Hockey, Wrestling and other Professional Sports	357,214	327,367
Horse Racing	101,321	76,240
Sundry Amusements (such as stock car, go-carts, roller skating... etc.)	790,878	810,748
TOTAL	6,020,386	6,099,910

*Now Exempt

Consumer Services Division

The Consumer Services Division, the most diversified of the divisions, continued to be very busy.

From its origin in 1965, when the Office of the Registrar of Credit was established, this division has been divided into three distinct sections: business practices, debtor assistance and regulated industries.

Each of these sections has a vital and an important role to play in service to the consumers of Nova Scotia.

The Business Practices Section processed 15,057 consumer complaints and inquiries in the fiscal year 1982-1983. Media interviews, lectures, mall displays and other public education measures substantially increase the stated involvement for this section. Almost 500 man hours were spent by staff making public speaking engagements.

The Debtor Assistance Section, where demands continued to increase, provided financial counselling to 2,980 households and in addition, administered the financial affairs of another 1,032 households through Consolidation Orders issued under the Federal Bankruptcy Act.

There were 416 new consolidation orders and 411 referrals to the federal superintendent of bankruptcy.

The debtor's assistance consolidation process has been improved with the establishment of a computer accounting and information system.

The Regulated Industries Section processed 4,585 licenses in the fiscal year and another 661 applicants were examined as part of their qualification for licensing. This licensing process extends from the real estate and the mortgage brokers' industries, to collection agencies and consumer reporting companies and to direct sellers and their salesmen.

Revenue of $166,802 in licensing, registration and examination fees was obtained through the section's activities in the fiscal year.

As a part of the section's enforcement program, 135 man days were spent in conducting audit inspections in order to determine the level of compliance by the various industries.

On-going communication is maintained with all regulated industries, other levels of government, business and consumer groups, the media as well as the general public.

Participation was varied: For example, members of the department, specifically the Consumer Services Division, were involved with the Automobile Advisory Committee; the Advertising Standards Council; various functions and activities of the Consumers' Association of Canada and its Nova Scotia branch; close liaison with the Small Claims Court; and the Mount Saint Vincent University Cooperative Education program where a student was involved in the Business Practices Section during the 1982 Summer Work Term.

Staff have held on-going meetings with those involved with the Embalmers and Funeral Director's Act and the Pre-arranged Funeral Services Act. As a result, legislation was prepared for the 1983 sitting of the Legistature and was introduced March 28.

Thirteen investigations, some involving cooperation with other agencies, were conducted and resulted in a variety of remedial actions being taken to the satisfaction of the parties involved.

Percentage of Complaints by Type, April 1, 1982 to March 31, 1983

Type	Per Cent
Consumer Goods and Services	20
Automobiles	13
Contractors	9
Appliances	6
Direct Sellers	8
Collection Agencies	5
Mail Orders	4
Clothing	3
Consumer Loans	3
Utilities	3
Other	26
TOTAL	100

Debtor Assistance Statistics April 1, 1982 to March 31, 1983

Interviews	2,980
Consolidation Orders Issued	416
Referrals to Bankruptcy	411
Consolidation Orders in Effect	1,032

Divisional Offices

Main Office	Sub-Office	Region Served
Halifax		Halifax, Lunenburg, Queens and Shelburne Counties, and East Hants
Kentville		West Hants, Kings, Annapolis, Digby and Yarmouth Counties
New Glasgow	Truro	Pictou and Colchester Counties
Springhill	Amherst	Cumberland County
Port Hawkesbury		Richmond and Inverness Counties
	Antigonish	Antigonish and Guysborough Counties
Sydney		Cape Breton and Victoria Counties

Credit Union Division

Touching on the economic lives of more than 150,000 Nova Scotians one of our province's oldest and best known financial institutions, the Credit Union movement is provided with inspection on a year-round basis by the Credit Union Division.

Inspections are provided through the department on either a requested or an ad hoc basis in order to provide an independent audit service to Credit Union members.

One hundred and eleven credit unions operated in the province in the 1982 calendar year, with a membership of 154,813 and combined assets of $213.4 million which was up from $199.5 million a year earlier.

The inspection division works in cooperation with the Credit Union Central of Nova Scotia (formerly the Nova Scotia Credit Union League) and the Nova Scotia Credit Union Stabilization Fund Board.

All credit unions received complete inspections during the year. In addition, the division maintained an on-going program of partial inspection and follow-up where problems were identified.

During the year, the North Colchester Credit Union was dissolved at their request. The Mid-Valley and Bridgetown Credit Unions were amalgamated to become the Western Valley Credit Union.

Credit Union Totals by Number and Membership at December 31, 1981

County	Number of Credit Unions	Membership	Percentage of Total Membership by County
Annapolis	2	1,547	1.0
Antigonish	5	17,979	11.6
Cape Breton	13	33,776	21.8
Colchester	5	2,882	1.9
Cumberland	3	3,404	2.2
Digby	5	3,136	2.0
Guysborough	6	1,363	0.9
Halifax	31	46,547	30.1
Hants	6	8,338	5.4
Inverness	8	11,737	7.6
Kings	4	6,035	3.9
Lunenburg	2	2,635	1.7
Pictou	3	2,218	1.4
Queens	2	793	0.5
Richmond	7	7,682	5.0
Victoria	3	668	0.4
Yarmouth	6	4,073	2.6
TOTAL	111	154,813	100.0%

Credit Unions Of Nova Scotia
Consolidated Balance Sheet
December 31, 1982
(with comparative figures for 1981)

	1981	1982
Assets		
Cash	$11,851,535	$13,590,150
Central deposits	20,610,904	32,943,722
Central shares	2,635,130	3,703,369
Other investments	4,907,475	2,789,422
Loans to members	152,621,668	152,212,850
Land and buildings	2,901,150	2,355,951
Furniture and equipment	1,527,926	1,409,114
Other	2,475,771	3,909,806
TOTAL	$199,531,559	$213,414,384
Liabilities		
Member deposits	$107,047,411	$117,226,044
Borrowings	5,736,446	3,814,471
Accounts payable	5,750,627	5,766,282
Other	2,043,812	1,275,023
	120,578,296	128,081,820
Members equity		
Shares	75,947,420	78,030,774
Guaranty fund reserve	4,483,345	5,196,760
Other reserves	3,291,756	4,977,678
Undivided deficit	(4,769,258)	(2,872,648)
	78,953,263	85,332,564
TOTAL	$199,531,559	$213,414,384

Credit Unions Of Nova Scotia
Consolidated Statement Of Income, Expense And Retained Earnings
For The Year Ended December 31, 1982
(with comparative figures for 1981)

	1981	1982
Income		
Interest on loans	$24,198,625	$25,324,355
Interest on investments	3,871,165	4,444,767
Service charges and other	1,171,403	1,780,697
	29,241,193	31,549,819
Financial Expense		
Interest on deposits	11,360,692	12,467,912
Interest on borrowings	1,380,881	631,856
	12,741,573	13,099,768
Net Financial Income	16,499,620	18,450,051
Other Expenses		
Operations	10,312,612	11,971,202
Guaranty fund	1,255,151	1,734,078
Stabilization fund	555,498	584,684
	12,123,261	14,289,964
Surplus On Operations	4,376,359	4,160,087
Retained Earnings January 1	(2,992,683)	(4,769,258)
Adjustments		5,094,207
	1,383,676	4,485,036
Distributions		
To members	5,385,520	6,778,332
To general reserves	445,441	138,284
To other	321,973	441,068
	6,152,934	7,357,684
Retained Earnings December 31	$(4,769,258)	$(2,872,648)

Nova Scotia Credit Unions
Purpose Of Loans Made During 1982

	Cash		Mortgage	
	Number	Amount (dollars)	Number	Amount (dollars)
Consolidation of debts	9,182	$ 18,563,868.68	46	$670,333.90
Auto repairs and purchases	11,619	32,417,447.24	90	428,096.14
Insurance premiums	1,512	473,566.17	—	—
To make investments	604	1,377,308.85	—	—
Education	711	609,012.81	—	—
Medical and dental	1,107	2,378,895.53	—	—
Taxes	864	715,661.63	3	3,341.32
Holidays	2,342	2,593,620.54	—	—
Home repairs and renovations	5,967	11,379,971.80	7	44,600.00
Purchase of Real Estate:				
New housing	149	1,054,680.05	97	2,042,082.70
Used housing	173	1,112,635.03	207	3,904,913.79
Farm	9	53,500.00	—	—
Other	158	1,016,586.68	11	89,000.00
Purchase of Equipment:				
Household	2,456	2,374,404.27	—	—
Farm	103	275,438.98	—	—
Fishermen	211	607,666.57	—	—
Other	429	965,150.31	—	—
Operating Expenses:				
Household	1,464	1,352,393.44	—	—
Farm	111	219,934.24	—	—
Fishermen	76	121,560.43	—	—
Other	2,192	3,476,111.17	10	201,301.00
Other loans	21,527	24,105,079.41	47	1,156,009.63
TOTAL	62,966	$107,244,493.83	518	$8,539,678.48
Combined cash and mortgage totals				$115,784,172.31
Combined total number of loans				63,484

Rent Review Division

The 1982-83 fiscal year was the seventh full year of the rent review program. During the calendar year 1982, 36,089 notices of rent increase were filed with the division. In 1982, 79% of the requests were in excess of 4% as compared to 62% in 1981 and 45% in 1980.

Under the review process, the proposed increase is reviewed by an officer on behalf of the division. Should either party (landlord or tenant) not be in agreement with that decision, it may be appealed to the Rent Review Commission, a body independent of the division.

The number of officer decisions appealed to the Commission in 1982 was 631 as opposed to 533 in 1981. During 1982, the Commission held 708 hearings and carried forward 30 requests into 1983. The Rent Review Commission holds hearings throughout the province and each region has local members on the Commission who sit with the Chairman.

Supreme Court decisions and new regulations governing rent review application, resulted in more detailed written decisions. Continuing inflation and high interest rates prompted more applications in excess of the guideline. The number of landlords requesting increases effective for the months of January to March continued to rise over previous years causing early delays in the processing of files and decisions but these subsided as the year progressed.

A change in regulations (October 14, 1982) meant that as of January 1, 1983, units were exempt for the year in which they are first occupied and the following three calendar years. The landlord is then obliged to comply with the Act and its regulations. Previously, buildings constructed after October 1, 1975 were exempt from the legislation.

In November, 1982, a Commission of Inquiry on Rents was established by the Minister to study existing laws and policies regarding residential tenancies and rent increases. The Commission, headed by the Honourable Thomas H. Coffin, Q.C., has been accepting submissions from landlords, agents, tenants, tenant groups, department employees and other interested groups.

Total Number of Applications Received Calendar Years 1981 and 1982

	1981	%	1982	%
Over 4% guideline	19,493	62%	28,452	79%
Under 4% guideline	12,060	38%	7,637	21%
TOTAL	31,553	100%	36,089	100%

Comparison of Applications Received For Calendar Year Periods 1981 and 1982

	1981	1982	% Increase
Total Applications	31,553	36,089	14.4%
Over 4% guideline	19,493	28,452	46.0%
Under 4%guideline	12,060	7,637	-36.8%
Decisions Rendered by Residential Tenancy Officers*	2,244	4,308	92.0%
Number of Requests for Review to Rent Review Commission	533	631	18.4%
Percentage of Officer Decisions Reviewed Upon Appeal to Rent Review Commission*	23.8%	14.7%	

*A change in the method of recording decisions accounts for the variation between the figures shown above and those stated in the 1982 report.

Number of Applications Received by Major Areas* 1982 (includes those within 4% guideline)

Halifax	27,026
Truro	3,004
Sydney	1,684
Kentville	2,187
Bridgewater	1,193
Yarmouth	995
TOTAL	36,089

*Area includes municipalities and counties surrounding defined centre.

Residential Tenancies Division

The Residential Tenancies Act establishes guidelines, rights and remedies for landlords and tenants with respect to rented residential premises. Disputes between landlords and tenants are made by a written complaint and assigned to a Residential Tenancy Officer for mediation. In those cases where mediation is not successful, the matter may be referred to a Residential Tenancies Board for disposition.

The Director of Landlord/Tenant Relations is responsible for the day-to-day administration of the division and co-ordinates the activities of the eight appointed Residential Tenancies Boards.

Leave to appeal a Supreme Court of Nova Scotia decision of November, 1981, with respect to constitutional powers of a Residential Tenancies Board, was granted. This appeal was set for December, 1982, however the full court determined that the appeal should not be heard.

The following steps were taken prior to the appeal date:

The Residential Tenancies Act was amended in June, 1982 to provide a new procedure for resolving landlord/tenant disputes. The process now requires a summary application to the County Court with an automatic referral of the matters to a Residential Tenancies Board for a hearing. A report containing recommendations is made by the Board and forwarded to the County Court.

During the year, a total of 3,064 complaints was received by all boards. This represents a decrease in volume of approximately 22 per cent from the previous fiscal year. This was due to the Supreme Court of Nova Scotia decision of November, 1981. That decision removed most of the power of the boards and hearings were not held on a regular basis until September 1982, following amendments to the Act and the new regulations.

During this period, approximately 80 per cent of the complaints filed were mediated and the remaining 20 per cent were referred to the boards for a report.

The distribution of complaints was 40 per cent filed by landlords and 60 per cent by tenants.

Condominium Act

During the fiscal year, five condominiums were registered, which involved a total of 130 units plus 3,300 square feet of commercial space. (The revenue generated from the registrations amounts to $15,233.) In addition, there were seven by-laws registered.

An amendment to the Condominium Act which was passed in June, 1982, gave the condominium corporations a priority lien with respect to outstanding condominium fees. This is of particular benefit to the remaining condominium owners in the event of a mortgage foreclosure on one of the units in the corporation.

Rental Property Conversion Act

The Rental Property Conversion Act, administered by the Director of Landlord/Tenant Relations, was proclaimed in June, 1982. This Act applies only to rental property containing four or more units and permits conversion only under specified conditions.

A regulation was made pursuant to the Rental Property Conversion Act and came into effect in December, 1982 which prohibited conversion of rental property containing four or more units.

Residential Tenancies Boards and Number of Rental Units

Board	Jurisdiction	Number of Rental Units Based On Census	
		1976	1981
Cape Breton and Victoria Counties	Cape Breton County	6,580	7,855
	Victoria County	320	315
	Sub-Total	6,900	8,170
Strait and Eastern Counties	Inverness County	800	960
	Richmond County	300	380
	Antigonish Counties	775	960
	Guysborough County	385	430
	Sub-Total	2,260	2,730
Northern Counties	Colchester County	3,130	3,785
	Cumberland County	2,280	2,375
	Pictou County	3,015	3,445
	East Hants Municipality	300	339
	Sub-Total	8,725	9,944
Halifax and County West	Halifax and County West	24,430	28,053
Dartmouth and County East	Dartmouth and County East	12,115	14,027
Western Counties	Yarmouth County	1,725	1,930
	Shelburne County	730	805
	Digby County	850	1,145
	Sub-Total	3,305	3,880
Annapolis Valley	Annapolis County	1,310	1,495
	Kings County	4,120	4,835
	West Hants Municipality	1,185	1,341
	Sub-Total	6,615	7,671
South Shore	Lunenburg County	2,155	2,775
	Queens County	535	630
	Sub-Total	2,690	3,405
	TOTAL	67,040	77,880

Activity Breakdown by Residential Tenancies Board April 1, 1982 to March 31, 1983

Residential Tenancies Board	Number of Complaints	% of Total
Halifax and County West	1,257	41
Dartmouth and County East	836	27
Northern Counties	277	10
Annapolis Valley	241	8
Cape Breton and Victoria Counties	180	6
Western Counties	159	5
Strait and Eastern Counties	68	2
South Shore	46	1
TOTAL	3,064	100

Complaints by Type, Number, Per Cent of Total April 1, 1982 to March 31, 1983

Type of Complaint	Number	% of Total
Unpaid rent	702	23
Damages	201	6
Utilities	45	2
Unduly interfering	73	3
Entry doors	32	1
Non-return of security deposits	735	24
Condition of premises	459	15
Notice to Quit	361	12
Entry of premises	28	1
Deletion of services	189	6
Rent increase	39	1
Lease	35	5
Other	165	5
TOTAL	3,064	100